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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To increase the number of landlords participating in the Housing Choice
Voucher program.

IN THE HOUSE OF REPRESENTATIVES

Mr. CLEAVER introduced the following bill; which was referred to the
Committee on _____

A BILL

To increase the number of landlords participating in the
Housing Choice Voucher program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Choice in Affordable
5 Housing Act of 2023”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

8 (1) the term “Housing Choice Voucher pro-
9 gram” means the tenant-based assistance program

1 under section 8(o) of the United States Housing Act
2 of 1937 (42 U.S.C. 1437f(o)); and

3 (2) the term “Secretary” means the Secretary
4 of Housing and Urban Development.

5 **SEC. 3. FINDINGS.**

6 Congress finds the following:

7 (1) The Housing Choice Voucher program is
8 the Federal Government’s largest program helping
9 low-income families, the elderly, and persons with
10 disabilities to afford decent, safe, and sanitary hous-
11 ing in the private market.

12 (2) The Housing Choice Voucher program is
13 proven to have positive impacts on voucher holders,
14 including increased housing stability, reduced home-
15 lessness, and children lifted out of poverty.

16 (3) As a public-private partnership, the Hous-
17 ing Choice Voucher program relies on the willingness
18 of private landlords to accept vouchers.

19 (4) Landlord participation is declining in the
20 Housing Choice Voucher program, with an average
21 of 10,000 housing providers leaving the program
22 each year between 2010 and 2016.

23 (5) Landlord participation is especially lacking
24 in “high-opportunity neighborhoods” that have low

1 poverty rates and good access to quality schools,
2 jobs, and public transportation.

3 (6) The Secretary has conducted and continues
4 to conduct research on landlord participation in the
5 Housing Choice Voucher program.

6 (7) The Moving to Work demonstration pro-
7 gram of the Department of Housing and Urban De-
8 velopment has given participating public housing
9 agencies the ability to test innovative strategies to
10 incentivize landlords to accept vouchers.

11 **SEC. 4. SENSE OF CONGRESS.**

12 It is the sense of Congress that—

13 (1) the Housing Choice Voucher program
14 should be improved to increase the number of land-
15 lords, particularly landlords with units in high-op-
16 portunity neighborhoods, who accept vouchers in
17 order to expand housing choice and opportunity, and
18 further fair housing; and

19 (2) Federal programs to help people afford safe
20 and decent housing are important in all commu-
21 nities, including urban, rural, and tribal areas.

1 **SEC. 5. INCENTIVIZING LANDLORD PARTICIPATION IN**
2 **HOUSING CHOICE VOUCHER PROGRAM.**

3 (a) ONE-TIME INCENTIVE PAYMENTS.—Section 8(o)
4 of the United States Housing Act of 1937 (42 U.S.C.
5 1437f(o)) is amended by adding at the end the following:

6 “(22) ONE-TIME INCENTIVE PAYMENTS.—

7 “(A) DEFINITION.—In this paragraph, the
8 term ‘eligible unit’ means a dwelling unit
9 that—

10 “(i) is located in a census tract with
11 a poverty rate of less than 20 percent; and

12 “(ii) has not previously been subject
13 to a housing assistance payment contract
14 under this subsection.

15 “(B) INCENTIVE PAYMENT AUTHORITY.—

16 “(i) IN GENERAL.—To incentivize
17 landlords who own dwelling units in low-
18 poverty areas to enter into housing assist-
19 ance payment contracts under this sub-
20 section, the Secretary shall provide assist-
21 ance under this paragraph to public hous-
22 ing agencies to be used to offer a one-time
23 payment directly to the owner of an eligi-
24 ble unit entering into a housing assistance
25 payment contract with the public housing
26 agency for the eligible unit.

1 “(ii) AMOUNT.—The amount of an in-
2 centive payment made to an eligible owner
3 under clause (i) may not exceed 200 per-
4 cent of the monthly housing assistance
5 payment made to the eligible owner for the
6 eligible unit.

7 “(iii) CONDITIONS PERMITTED.—Sub-
8 ject to paragraph (7), a public housing
9 agency may require the owner of an eligi-
10 ble unit, as a condition of receiving an in-
11 centive payment under clause (i), to com-
12 mit to lease the eligible unit to tenants as-
13 sisted under this subsection for more than
14 1 year.

15 “(iv) LIMIT.—The owner of an eligible
16 unit may not receive more than 1 incentive
17 payment under clause (i), regardless of—

18 “(I) the number of eligible units
19 owned by the owner; or

20 “(II) the number of public hous-
21 ing agencies with which the owner has
22 entered into housing assistance pay-
23 ment contracts.”.

24 (b) SECURITY DEPOSIT PAYMENTS.—Section 8(o) of
25 the United States Housing Act of 1937 (42 U.S.C.

1 1437f(o)), as amended by subsection (a), is amended by
2 adding at the end the following:

3 “(23) SECURITY DEPOSIT PAYMENTS.—

4 “(A) SECURITY DEPOSIT PAYMENT AU-
5 THORITY.—The Secretary shall provide assist-
6 ance to public housing agencies to be used to
7 pay the owner of a dwelling unit assisted under
8 this subsection for a security deposit, or a sub-
9 stantial portion thereof, on behalf of the tenant
10 of the dwelling unit in accordance with subpara-
11 graph (B).

12 “(B) MINIMUM PHA REQUIREMENTS.—A
13 public housing agency that receives assistance
14 from the Secretary under subparagraph (A)
15 shall administer the assistance in accordance
16 with the following conditions:

17 “(i) The public housing agency shall
18 pay the owners of dwelling units assisted
19 under this subsection for a security de-
20 posit, or a substantial portion thereof, in
21 an amount determined by the public hous-
22 ing agency, on behalf of the tenants of the
23 dwelling units.

24 “(ii) In making payments to owners of
25 dwelling units under clause (i), the public

1 housing agency shall give priority to own-
2 ers of dwelling units occupied by extremely
3 low-income families.

4 “(iii) The owner of a dwelling unit
5 may deduct amounts from a security de-
6 posit payment received under clause (i) to
7 cover damages beyond normal wear and
8 tear caused by the tenant of the dwelling
9 unit, any member of the tenant’s house-
10 hold, or any guest or other person under
11 the tenant’s control.

12 “(iv) The public housing agency shall
13 conduct a damage claims process where-
14 by—

15 “(I) in order to deduct amounts
16 from a security deposit payment re-
17 ceived under clause (i), the owner of
18 a covered dwelling unit must submit a
19 claim to the public housing agency
20 with an itemized list of damages and
21 evidence and request reimbursement;
22 and

23 “(II) the tenant of a covered
24 dwelling unit may refute a claim sub-
25 mitted under subclause (I).

1 “(v) The public housing agency
2 shall—

3 “(I) establish an amount of re-
4 pair costs for which a tenant will be
5 responsible; and

6 “(II) notify a tenant, upon the
7 tenant entering into a lease for a
8 dwelling unit assisted under this sub-
9 section, of the amount described in
10 subclause (I).

11 “(vi) The public housing agency may
12 determine what action to take if a tenant
13 demonstrates an inability to pay the
14 amount of repair costs for which the ten-
15 ant is responsible under clause (v).

16 “(vii) At the end of a tenant’s occu-
17 pancy of a dwelling unit assisted under
18 this subsection, the landlord shall return to
19 the public housing agency any unused
20 amount of a security deposit payment re-
21 ceived under clause (i).

22 “(C) RULE OF CONSTRUCTION.—Nothing
23 in subparagraph (B) shall be construed to pro-
24 hibit a public housing agency from establishing
25 additional conditions for the administration of

1 assistance received under subparagraph (A) in
2 accordance with applicable State and local
3 laws.”.

4 (c) LANDLORD LIAISON BONUS PAYMENTS.—Section
5 8(o) of the United States Housing Act of 1937 (42 U.S.C.
6 1437f(o)), as amended by subsection (b), is amended by
7 adding at the end the following:

8 “(24) LANDLORD LIAISON BONUS PAYMENTS.—

9 “(A) IN GENERAL.—Each year, the Sec-
10 retary shall award 1 bonus payment to each
11 public housing agency that employs, contracts
12 with a service partner that employs, or dem-
13 onstrates an intent to employ or contract with
14 a service partner that employs, not less than 1
15 dedicated landlord liaison whose duties include,
16 with respect to the tenant-based assistance pro-
17 gram under subsection (o)—

18 “(i) conducting landlord outreach, re-
19 cruitment, and retention;

20 “(ii) educating and training landlords
21 regarding the program; and

22 “(iii) operating a phone hotline, online
23 portal, monitored email address, or other
24 mechanism designated by the Secretary for

1 landlord questions and concerns regarding
2 the program.

3 “(B) DEMONSTRATING COMPLIANCE.—The
4 Secretary shall determine how a public housing
5 agency may demonstrate that it offers or in-
6 tends to offer a landlord liaison service for pur-
7 poses of subparagraph (A).

8 “(C) AMOUNT.—The Secretary shall estab-
9 lish an amount for the landlord liaison bonus
10 payment authorized under subparagraph (A)
11 that—

12 “(i) may vary by region;

13 “(ii) does not exceed the 150 percent
14 of the average cost of employing, or con-
15 tracting with a service partner that em-
16 ploys, such a landlord liaison, based on
17 local market conditions; and

18 “(iii) is sufficient to incentivize public
19 housing agencies to employ, or contact
20 with a service partner that employs, such
21 a landlord liaison.”.

22 (d) HOUSING PARTNERSHIP FUND.—Section 8 of the
23 United States Housing Act of 1937 (42 U.S.C. 1437f) is
24 amended by adding at the end the following:

1 “(ee) HERSCHEL LASHKOWITZ HOUSING PARTNER-
2 SHIP FUND.—

3 “(1) ESTABLISHMENT.—The Secretary shall es-
4 tablish a fund, to be known as the ‘Herschel
5 Lashkowitz Housing Partnership Fund’, for the pur-
6 pose of incentivizing landlords to participate in the
7 tenant-based assistance program under subsection
8 (o) in accordance with paragraph (2) of this sub-
9 section.

10 “(2) AUTHORIZED USES.—The Secretary shall
11 use amounts from the Housing Partnership Fund
12 for—

13 “(A) incentive payments under subsection
14 (o)(22);

15 “(B) security deposit payments under sub-
16 section (o)(23);

17 “(C) landlord liaison bonus payments
18 under subsection (o)(24); and

19 “(D) other uses, as determined by a public
20 housing agency and approved by the Secretary,
21 designed primarily—

22 “(i) to recruit owners of dwelling
23 units, particularly dwelling units in census
24 tracts with a poverty rate of less than 20
25 percent, to enter into housing assistance

1 payment contracts under subsection (o);
2 and
3 “(ii) to ensure that owners that enter
4 into housing assistance payment contracts
5 as described in clause (i) of this subpara-
6 graph continue to lease their dwelling units
7 to tenants assisted under subsection (o).

8 “(3) REPORTS.—The Secretary shall require a
9 public housing agency that receives assistance from
10 the Herschel Lashkowitz Housing Partnership Fund
11 to submit an annual report to the Secretary on the
12 use of the assistance.

13 “(4) AUTHORIZATION OF ADDITIONAL APPRO-
14 PRIATIONS.—There is authorized to be appropriated
15 for deposit in the Herschel Lashkowitz Housing
16 Partnership Fund \$100,000,000 for each of fiscal
17 years 2024 through 2028, to remain available until
18 expended.”.

19 **SEC. 6. HOUSING QUALITY STANDARDS.**

20 (a) SATISFACTION OF INSPECTION REQUIREMENTS
21 THROUGH PARTICIPATION IN OTHER HOUSING PRO-
22 GRAMS.—Section 8(o)(8) of the United States Housing
23 Act of 1937 (42 U.S.C. 1437f(o)(8)), as amended by sec-
24 tion 101(a) of the Housing Opportunity Through Mod-

1 ernization Act of 2016 (Public Law 114–201; 130 Stat.
2 783), is amended by adding at the end the following:

3 “(I) SATISFACTION OF INSPECTION RE-
4 QUIREMENTS THROUGH PARTICIPATION IN
5 OTHER HOUSING PROGRAMS.—

6 “(i) LOW-INCOME HOUSING TAX
7 CREDIT-FINANCED BUILDINGS.—A dwell-
8 ing unit shall be deemed to meet the in-
9 spection requirements under this para-
10 graph if—

11 “(I) the dwelling unit is in a
12 building, the acquisition, rehabilita-
13 tion, or construction of which was fi-
14 nanced by a person who received a
15 low-income housing tax credit under
16 section 42 of the Internal Revenue
17 Code of 1986 in exchange for that fi-
18 nancing;

19 “(II) the dwelling unit was phys-
20 ically inspected and passed inspection
21 as part of the low-income housing tax
22 credit program described in subclause
23 (I) during the preceding 12-month pe-
24 riod; and

1 “(III) the applicable public hous-
2 ing agency is able to obtain the re-
3 sults of the inspection described in
4 subclause (II).

5 “(ii) HOME INVESTMENT PARTNER-
6 SHIPS PROGRAM.—A dwelling shall be
7 deemed to meet the inspection require-
8 ments under this paragraph if the dwelling
9 unit—

10 “(I) the dwelling unit is assisted
11 under the HOME Investment Part-
12 nerships Program under title II of the
13 Cranston-Gonzalez National Afford-
14 able Housing Act (42 U.S.C. 12721 et
15 seq.);

16 “(II) the dwelling unit was phys-
17 ically inspected and passed inspection
18 as part of the program described in
19 subclause (I) during the preceding 12-
20 month period; and

21 “(III) the applicable public hous-
22 ing agency is able to obtain the re-
23 sults of the inspection described in
24 subclause (II).

1 “(iii) RURAL HOUSING SERVICE.—A
2 dwelling unit shall be deemed to meet the
3 inspection requirements under this para-
4 graph if—

5 “(I) the dwelling unit is assisted
6 by the Rural Housing Service of the
7 Department of Agriculture;

8 “(II) the dwelling unit was phys-
9 ically inspected and passed inspection
10 in connection with the assistance de-
11 scribed in subclause (I) during the
12 preceding 12-month period; and

13 “(III) the applicable public hous-
14 ing agency is able to obtain the re-
15 sults of the inspection described in
16 subclause (II).

17 “(iv) RULE OF CONSTRUCTION.—
18 Nothing in clause (i), (ii), or (iii) shall be
19 construed to affect the operation of a hous-
20 ing program described in, or authorized
21 under a provision of law described in, that
22 clause.”.

23 (b) PRE-APPROVAL OF UNITS.—Section 8(o)(8)(A)
24 of the United States Housing Act of 1937 (42 U.S.C.

1 1437f(o)(8)(A)) is amended by adding at the end the fol-
2 lowing:

3 “(iv) INITIAL INSPECTION PRIOR TO
4 LEASE AGREEMENT.—

5 “(I) DEFINITION.—In this
6 clause, the term ‘new landlord’ means
7 an owner of a dwelling unit who has
8 not previously entered into a housing
9 assistance payment contract with a
10 public housing agency under this sub-
11 section for any dwelling unit.

12 “(II) EARLY INSPECTION.—Upon
13 the request of a new landlord, a public
14 housing agency may inspect the dwell-
15 ing unit owned by the new landlord to
16 determine whether the unit meets the
17 housing quality standards under sub-
18 paragraph (B) before the unit is se-
19 lected by a tenant assisted under this
20 subsection.

21 “(III) EFFECT.—An inspection
22 conducted under subclause (II) that
23 determines that the dwelling unit
24 meets the housing quality standards
25 under subparagraph (B) shall satisfy

1 this subparagraph and subparagraph
2 (C) if the new landlord enters into a
3 lease agreement with a tenant assisted
4 under this subsection not later than
5 60 days after the date of the inspec-
6 tion.

7 “(IV) INFORMATION WHEN FAM-
8 ILY IS SELECTED.—When a public
9 housing agency selects a family to
10 participate in the tenant-based assist-
11 ance program under this subsection,
12 the public housing agency shall in-
13 clude in the information provided to
14 the family a list of dwelling units that
15 have been inspected under subclause
16 (II) and determined to meet the hous-
17 ing quality standards under subpara-
18 graph (B).”.

19 **SEC. 7. SMALL AREA FAIR MARKET RENT.**

20 (a) USE OF SMALL AREA FAIR MARKET RENT.—
21 Section 8(o)(1) of the United States Housing Act of 1937
22 (42 U.S.C. 1437f(o)(1)) is amended by adding at the end
23 the following:

24 “(F) SMALL AREA FAIR MARKET RENT.—

1 “(i) DEFINITIONS.—In this subpara-
2 graph—

3 “(I) the term ‘metropolitan area’
4 means a metropolitan statistical area,
5 as defined by the Office of Manage-
6 ment and Budget; and

7 “(II) the term ‘small area fair
8 market rent’ means the fair market
9 rent established for a ZIP code area
10 within a metropolitan area.

11 “(ii) USE OF SMALL AREA FAIR MAR-
12 KET RENT.—Notwithstanding subsection
13 (c) or any other provision of this sub-
14 section, not later than 3 years after the
15 date of enactment of this subparagraph,
16 the Secretary shall designate a number of
17 metropolitan areas in which public housing
18 agencies are required to use the small area
19 fair market rent to determine the fair mar-
20 ket rental for dwelling units for purposes
21 of tenant-based assistance under this sub-
22 section that is not less than 3 times the
23 number of metropolitan areas so des-
24 ignated in the final rule of the Secretary
25 entitled ‘Establishing a More Effective

1 Fair Market Rent System; Using Small
2 Area Fair Market Rents in the Housing
3 Choice Voucher Program Instead of the
4 Current 50th Percentile FMRs’, published
5 in the Federal Register on November 16,
6 2016 (81 Fed. Reg. 80567).

7 “(iii) HOLD HARMLESS.—If the appli-
8 cation of clause (ii) would cause a decrease
9 in the payment standard used to calculate
10 the amount of tenant-based assistance pro-
11 vided to a family under this subsection, a
12 public housing agency shall continue to use
13 the existing higher payment standard to
14 calculate the amount of such assistance for
15 the family for as long as the family con-
16 tinues to receive such assistance in the
17 same dwelling unit.”.

18 (b) CONFORMING AMENDMENT.—Section 8(o)(1)(B)
19 of the United States Housing Act of 1937 (42 U.S.C.
20 1437f(o)(1)(B)) is amended by inserting after “subsection
21 (c)” the following: “(subject to subparagraph (F) of this
22 paragraph)”.

23 **SEC. 8. SECTION 8 MANAGEMENT ASSESSMENT PROGRAM.**

24 (a) DEFINITION.—In this section, the term “Section
25 8 Management Assessment Program” means the program

1 set forth in part 985 of title 24, Code of Federal Regula-
2 tions (or any successor regulation).

3 (b) DECONCENTRATION OF PARTICIPATING DWELL-
4 ING UNITS.—The Secretary shall explore ways to reform
5 and modernize the Section 8 Management Assessment
6 Program to assess public housing agencies in a manner
7 that promotes—

8 (1) positive interactions with landlords, includ-
9 ing timely payment of rent and identification of the
10 dwelling unit for which a subsidy payment is being
11 made; and

12 (2) an increase in the diversity of areas where
13 dwelling units are leased to support voucher holders
14 who want to access to low-poverty, integrated neigh-
15 borhoods.

16 (c) RULE OF CONSTRUCTION.—Nothing in sub-
17 section (b) shall be construed to prevent the Secretary
18 from—

19 (1) reforming the Section 8 Management As-
20 sessment Program to assess public housing agencies
21 in other areas of performance; or

22 (2) reforming the Section 8 Management As-
23 sessment Program in any other manner, at the dis-
24 cretion of the Secretary.

1 **SEC. 9. ANNUAL REPORT ON EFFECTIVENESS OF ACT.**

2 (a) DEFINITIONS.—In this section—

3 (1) the term “appropriate congressional com-
4 mittees” means—

5 (A) the Committee on Banking, Housing,
6 and Urban Affairs of the Senate;

7 (B) the Subcommittee on Transportation,
8 Housing and Urban Development, and Related
9 Agencies of the Committee on Appropriations of
10 the Senate;

11 (C) the Committee on Financial Services of
12 the House of Representatives; and

13 (D) the Subcommittee on Transportation,
14 Housing and Urban Development, and Related
15 Agencies of the Committee on Appropriations of
16 the House of Representatives; and

17 (2) the term “high-opportunity area”—

18 (A) shall be defined by the Secretary for
19 purposes of this section; and

20 (B) does not include any census tract in
21 which the poverty rate is equal to or greater
22 than 20 percent.

23 (b) REPORT.—Not later than 1 year after the date
24 of enactment of this Act, and annually thereafter for 5
25 total years, the Secretary shall submit to the appropriate

1 congressional committees and make publicly available a re-
2 port that—

3 (1) evaluates the effectiveness of this Act and
4 the amendments made by this Act in recruiting and
5 retaining landlords who accept vouchers under the
6 Housing Choice Voucher program, particularly land-
7 lords with dwelling units in high-opportunity neigh-
8 borhoods; and

9 (2) includes—

10 (A) the number of landlords in the United
11 States who accept housing choice vouchers
12 under the Housing Choice Voucher program
13 and the number of dwelling units assisted under
14 the Housing Choice Voucher program;

15 (B) any net changes to the number of
16 landlords or dwelling units described in sub-
17 paragraph (A) during the preceding year;

18 (C) the number of landlords described in
19 subparagraph (A) who own disability-accessible
20 dwelling units assisted under the Housing
21 Choice Voucher program and the number of
22 those dwelling units; and

23 (D) the number of landlords described in
24 subparagraph (A) who own dwelling units as-
25 sisted under the Housing Choice Voucher pro-

- 1 gram in high-opportunity areas and the number
- 2 of those dwelling units.